

**MACKINAC FINANCIAL CORPORATION**

	CPP Disbursement Date 04/24/2009	RSSD (Holding Company) 1123933	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2011 \$ millions	2012 \$ millions	%chg from prev		
Assets	\$498	\$546	9.5%		
Loans	\$401	\$449	12.0%		
Construction & development	\$26	\$25	-3.2%		
Closed-end 1-4 family residential	\$63	\$74	17.8%		
Home equity	\$15	\$14	-3.7%		
Credit card	\$1	\$1	6.6%		
Other consumer	\$3	\$7	143.8%		
Commercial & Industrial	\$86	\$76	-11.9%		
Commercial real estate	\$194	\$241	24.3%		
Unused commitments	\$47	\$61	30.5%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$11	\$3	-71.2%		
Asset-backed securities	\$3	\$5	73.3%		
Other securities	\$24	\$35	45.7%		
Cash & balances due	\$20	\$27	34.3%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$17	\$29	64.4%		
Open-end HELOC originated for sale (quarter)	\$2	\$2	38.4%		
Closed-end mortgage originations sold (quarter)	\$17	\$29	64.4%		
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$447	\$486	8.7%		
Deposits	\$410	\$448	9.3%		
Total other borrowings	\$35	\$35	0.0%		
FHLB advances	\$35	\$35	0.0%		
Equity					
Equity capital at quarter end	\$51	\$60	16.5%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA		
Performance Ratios					
Tier 1 leverage ratio	9.2%	9.6%	--		
Tier 1 risk based capital ratio	10.7%	11.1%	--		
Total risk based capital ratio	11.9%	12.2%	--		
Return on equity <sup>1</sup>	1.7%	8.8%	--		
Return on assets <sup>1</sup>	0.2%	1.0%	--		
Net interest margin <sup>1</sup>	4.4%	4.2%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	94.9%	110.4%	--		
Loss provision to net charge-offs (qtr)	68.9%	127.1%	--		
Net charge-offs to average loans and leases <sup>1</sup>	1.9%	0.1%	--		
<sup>1</sup> Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2011	2012	2011	2012	
Construction & development	0.1%	2.7%	1.3%	0.0%	--
Closed-end 1-4 family residential	3.1%	0.6%	0.4%	0.1%	--
Home equity	0.2%	0.4%	0.0%	0.0%	--
Credit card	0.0%	0.0%	1.0%	0.5%	--
Other consumer	0.0%	0.0%	0.0%	0.6%	--
Commercial & Industrial	1.3%	0.6%	0.0%	0.0%	--
Commercial real estate	1.2%	1.3%	0.7%	0.0%	--
Total loans	1.4%	1.0%	0.5%	0.0%	--